

THE
TRACTION GAP
INSTITUTE

PARTNER
PROGRAM

www.tractiongap.com

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Traction Gap Overview

The Traction Gap is a period in a startup's lifecycle that begins just after it releases its first product – the Initial Product Release (IPR) – and executes its first go to market activities. The Traction Gap period only ends once the startup has successfully reached Minimum Viable Traction (MVT). MVT is a point in a company's maturity—whether it be a certain level of revenue growth, engagement, downloads, usage or the like—that demonstrates market validation and signals positive growth trajectory.

Before MVT, startups must successfully reach a series of value inflection points. These value inflection points include: Initial Product Release (IPR), Minimum Viable Product (MVP), and Minimum Viable Repeatability (MVR).

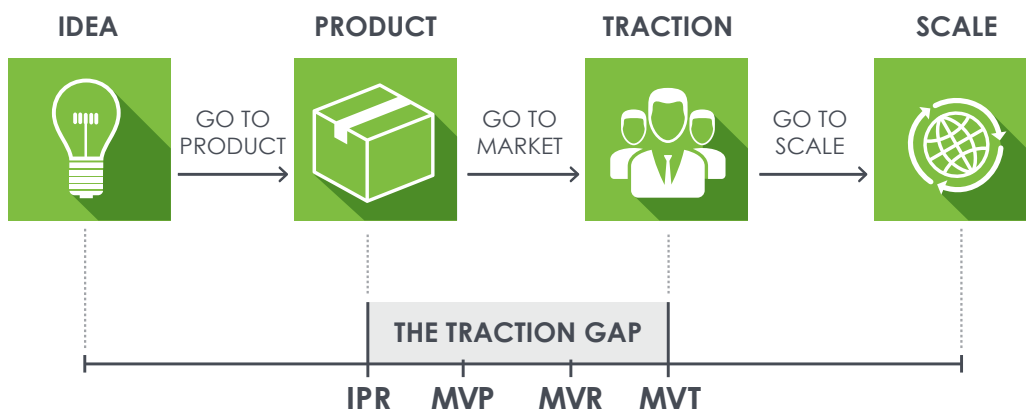
- IPR is where the startup first makes its product generally available to the public. At this stage, the team is seeking customer validation metrics to prove it has developed an MVP.
- MVP is a debated term but we subscribe to the following definition: a Minimum Viable Product is the most pared down version of a product that will still be purchased or used by customers.
- MVR is the smallest amount of repeatability a startup can execute to demonstrate its business model feasibility and product/market fit.

MVT can occur 4-6 quarters after MVR and is demonstrated by strong quarter over quarter growth rates – revenue, downloads, usage, etc.

The lack of sufficient capital to traverse the Traction Gap is a critical issue for startups; mid to late stage venture firms are not as likely to make investments until a startup has reached MVT. Therefore, it is imperative startups reach MVT as quickly and as capital-efficiently as possible.

Characteristics of the Gap

- Incomplete product architecture & roadmap
- Incomplete revenue
- Incomplete team
- Incomplete systems



For a complete overview of the Traction Gap Framework download the white paper at www.tractiongap.com/xxx.

Background

Industry statistics¹ show that more than 70% of all startups fail to return capital. Studies cite this failure is largely due to the inability of startups to generate customer/market traction after the initial release of their product. Lack of traction can be a function of insufficient revenue, downloads, adoption, usage rates or a combination of all of these.

The startup's formal search for traction begins when it enters the initial go to market phase. Yet, there has been very little research performed and there is very little guidance for startups to rely upon during this critical period – this is the Traction Gap.

Mission

The mission of the Traction Gap Institute (TGI) is to track, capture, and publish the metrics and tactics startups have used to successfully traverse the Traction Gap.

The TGI hosts conferences, workshops and other events to enable entrepreneurs, limited partners and venture capital firms to share best Traction Gap practices.

Traction Gap Institute Governance

The Traction Gap Institute is an independent entity governed by an Executive Director and a Board of Directors. The Board convenes at regularly scheduled meetings and provides guidance to the Executive Director and oversight of the TGI.

The TGI board is responsible for reviewing and approving IP contributions to the Traction Gap Framework, reviewing and approving the annual TGI budget, helping to recruit TGI sponsors and donors, and setting and reviewing the annual objectives for the TGI.

The Lean Launchpad class was developed to help entrepreneurs go from an idea to a product that customers want. The Traction Gap is a much needed framework for the next step in that progression, taking a minimally viable product and growing it to sales repeatability and traction.

Steve Blank | Author
The Startup Owner's Manual

¹Source: Correlation Ventures, CB Insights and Dow Jones Venture Source

Partner Program Overview

The TGI has developed the Traction Gap Partner Program to enable individuals, companies and organizations to contribute to the ongoing development of the Traction Gap Framework.

Charter Partner

Charter Partners can be individuals, teams, organizations, associations, firms or companies. Charter Partners play an integral role to the TGI by contributing IP, thought leadership, consulting, and content with prescriptive advice to entrepreneurs and their teams.

Charter Partner Benefits

Charter Partners of the Traction Gap Institute Partner Program receive a minimum of the following benefits:

- Opportunity to present during one (1) large Traction Gap Institute event in any given year.
 - Audience: senior technology executives, venture firm partners, limited partners, media
 - Duration – Minimum of 1 hour (keynote or panel format)
 - Attendance: Up to 100
 - Promotion: Charter Partner's logo and speaker bio on event invitations, TGI website and event signage, social media coverage
 - Location: SF Bay Area at facilities that can accommodate 100+ guests.
- Opportunity to present to Traction Gap Institute workshops.
 - Audience: CEOs
 - Duration: Up to ½ day
 - Attendance: up to 15 technology executives
 - Promotion: Charter Partner's logo and speaker bio on event invitations, TGI website and event signage, social media coverage
 - Location: San Mateo, CA – Wildcat Venture Partners headquarters
- The right to promote themselves as Charter Partners of the Traction Gap Institute and to use the TGI logo on their website and other promotional materials.
- Charter Partner branding on the Traction Gap Institute website and all events.

Charter Partner Process

- Review and sign the Traction Gap Institute Partner Program Agreement
- Follow the TGI Partner Program Agreement requirements for IP attribution and contributions
- \$10,000 annual fee

To learn more about becoming a Charter Partner, send an email to info@tractiongap.com